THE NAVAL RESEARCH, DEVELOPMENT & ACQUISITION TEAM

1996 - 1997
Strategic Plan

"We acquire the . . . forward . . . from the sea"

NAVAL SURFACE SHIPS
NAVAL AIRCRAFT
SUBMARINES
MARINE CORPS MATERIEL
SURVEILLANCE SYSTEMS
WEAPON SYSTEMS
COMMAND, CONTROL & COMMUNICATIONS SYSTEMS
INTELLIGENCE SYSTEMS
ORDNANCE
SATELLITES
TRAINING SYSTEMS
SUPPLY AND SUPPORT
NAVAL FACILITIES

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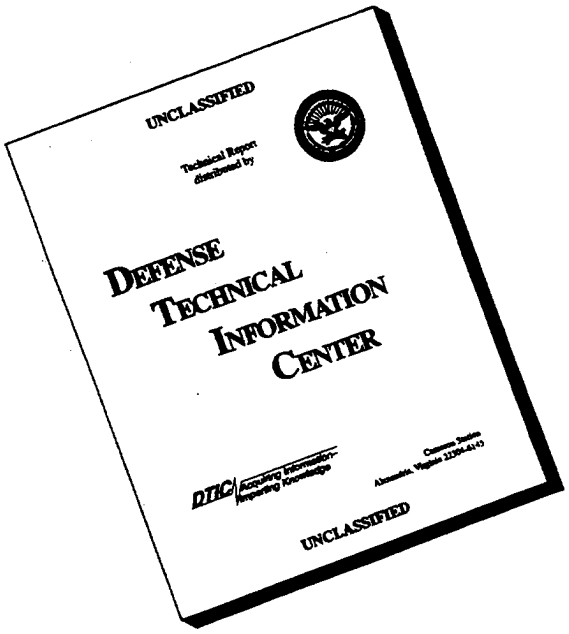

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The Honorable John W. Douglass
ASSISTANT SECRETARY OF
THE NAVY FOR RESEARCH,
DEVELOPMENT AND ACQUISITION

A Letter from the Assistant Secretary of the Navy for Research, Development and Acquisition

Since I arrived in this job in November 1995, I have met many of you in the Navy acquisition community, in and out of government, who have done a tremendous job at making our acquisition community a success. I recognize your dedication and hard work and I want this plan to communicate, not only to you but also to those in Congress, Industry, and our operational forces, that I believe in you and the path we are on in truly reforming the acquisition system. Through the use of Integrated Program Teams (IPTs) and open communications we will together broaden the atmosphere of trust and empowerment that is taking root. Our common vision is to provide our Sailors and Marines the best equipment at an affordable cost.

Today, the Department of the Navy is leading the way in acquisition reform, and I challenge those in Industry and Government to work with us in achieving these goals. We are committed to eliminating unnecessary regulation, delegating decision authority to the lowest possible organizational level, using Commercial-Off-the-Shelf (COTS) products and equipment, and adopting commercial practices wherever it makes good business sense. Also high on our list is understanding our work processes and managing programs so that we reduce the ownership costs of all our systems.

Each of the goals contained within this Strategic Plan has been personally adopted by a senior leader of the acquisition community to ensure its success. I, too, have adopted an issue I feel is vitally important. My highest priority is to bring funding stability to our acquisition programs. This has the potential to save billions of dollars and strengthen our industrial base — we are the greatest maritime power in the world, and I see no reason why we should not have the greatest maritime industry in the world.

The Navy acquisition community is a vast and complex organization. I hope each of you will embrace our Strategic Goals and work to apply them to your own endeavors. Ironically, as the various System Command headquarters grow geographically apart we all must learn to share knowledge and resources as an organization and grow closer to achieve the efficiency required by fiscal realities. I know with your support, together as a TEAM, we will make our vision a reality.

Sincerely,

John W. Douglass

THE NAVAL RESEARCH, DEVELOPMENT AND ACQUISITION TEAM

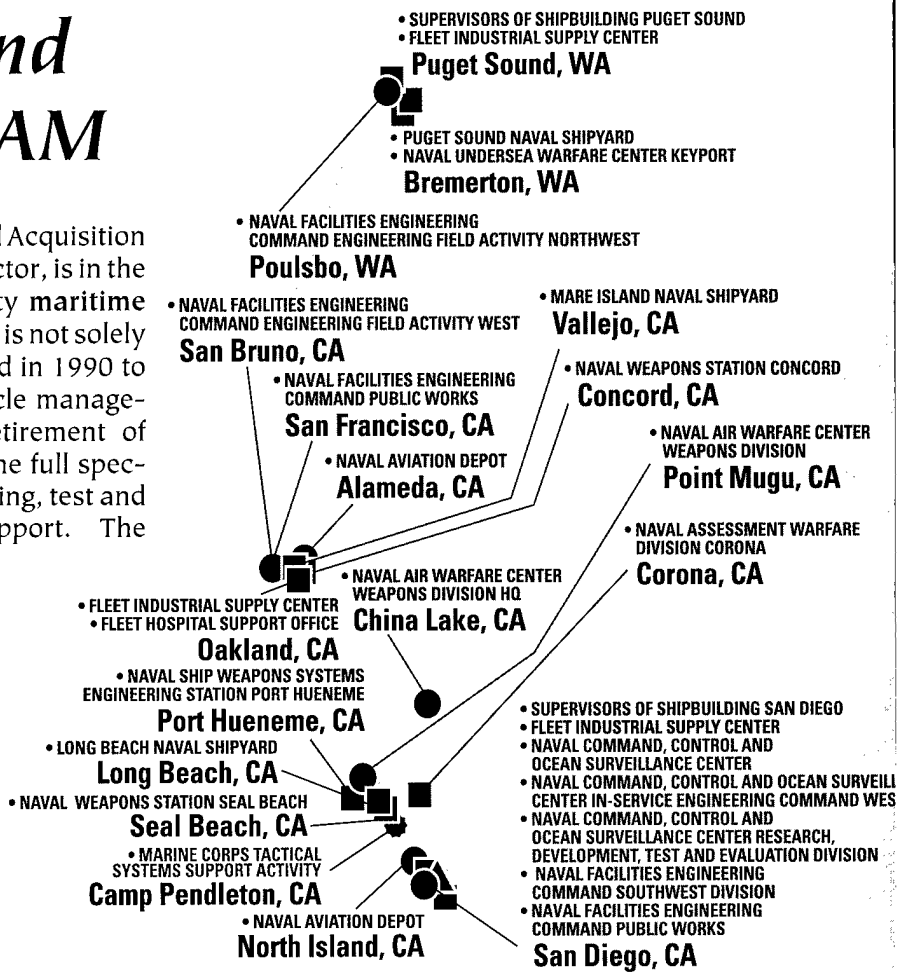
1996 - 1997

Strategic Plan

About the Naval Research, Development and Acquisition TEAM

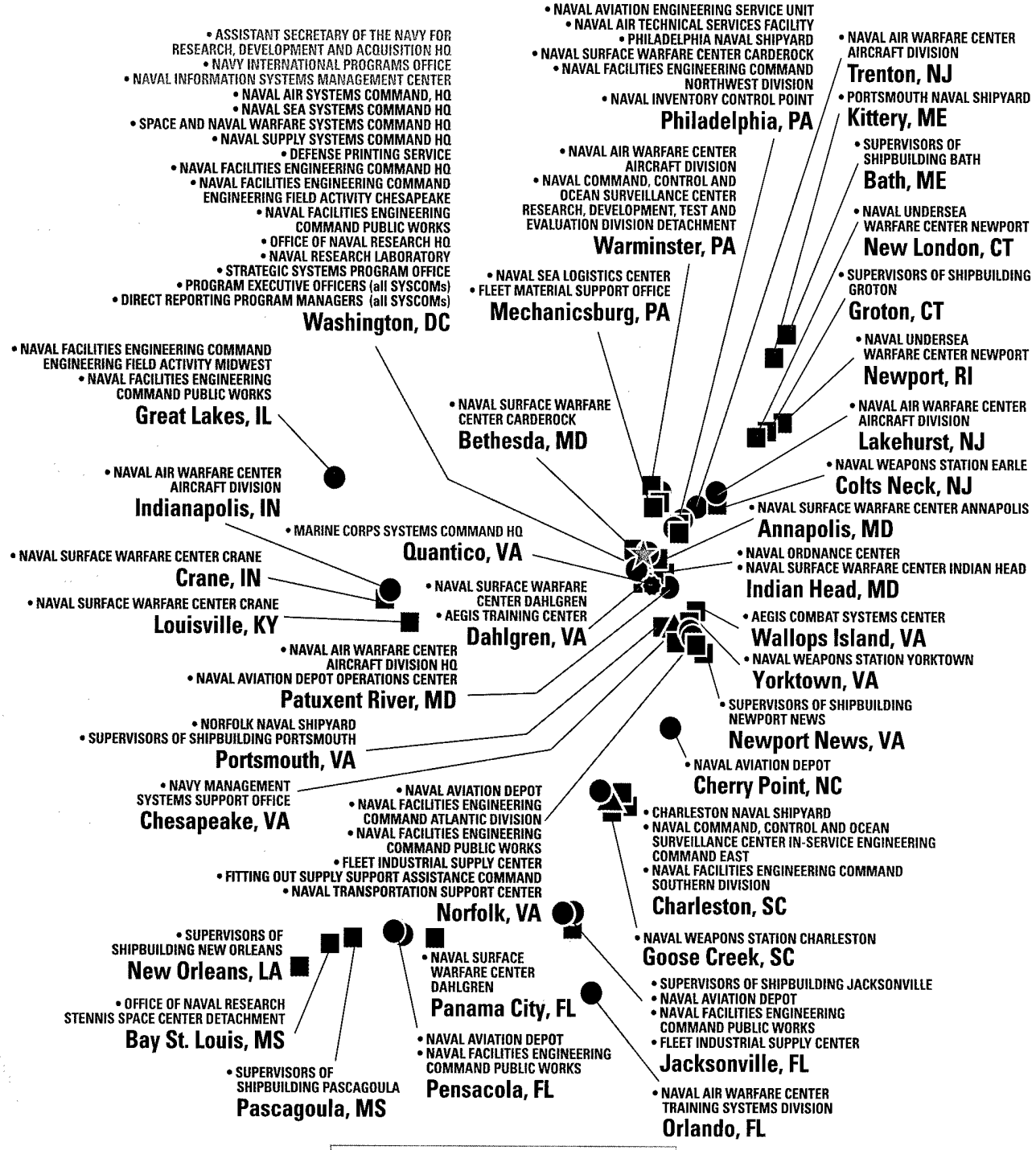
The Naval Research, Development and Acquisition TEAM, in partnership with the private sector, is in the business of providing the highest quality **maritime** systems at an affordable cost. The TEAM is not solely an acquisition agency. It was established in 1990 to be responsible for total program life cycle management. From pure research to the retirement of obsolete equipment, the TEAM covers the full spectrum of research, development, engineering, test and evaluation, acquisition and logistic support. The TEAM's major products include:

- Naval Surface Ships
- Naval Aircraft
- Submarines
- Marine Corps Materiel
- Surveillance Systems
- Weapon Systems
- Command, Control, & Communications Systems
- Intelligence Systems
- Ordnance
- Satellites
- Training Systems
- Supply and Support
- Naval Facilities



In the performance of its business, the TEAM ensures equitable treatment of its suppliers within the private sector, while guaranteeing a fair value for the taxpayers' dollars.

In FY1995 the Naval RD&A TEAM managed approximately 43 billion in Navy and 17 billion in other customer dollars and over 840 programs. The current plant value of military real property operated and maintained by the TEAM, excluding land, exceeds 73 billion dollars. The TEAM employs approximately 170,000 military and civilian personnel at 113 major locations worldwide.



** Map reflects locations as of 30 September 1995*

A Message from the
The Naval RD&A TEAM Leadership

It is with pride and enthusiasm that the Naval Research, Development and Acquisition TEAM Leadership presents the first jointly prepared Strategic Plan. The partnership formed among all the men and women who make up the TEAM is designed to improve the processes essential for the development, acquisition and support of our products. Acquisition Reform is a complementary part of our Strategic Plan and binds our Strategic Goals together into a more cohesive strategy. The Strategic Plan and Acquisition Reform together will guide the TEAM into becoming a model for other organizations to emulate for efficiency, responsiveness and affordable products.

The Honorable John W. Douglass
ASSISTANT SECRETARY OF THE NAVY FOR RESEARCH, DEVELOPMENT AND ACQUISITION

VADM William C. Bowes
PRINCIPAL DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR RESEARCH, DEVELOPMENT AND ACQUISITION

VADM George Sterner
COMMANDER, NAVAL SEA SYSTEMS COMMAND

VADM John Lockard
COMMANDER, NAVAL AIR SYSTEMS COMMAND

MGEN Carol Mutter
COMMANDER, MARINE CORPS SYSTEMS COMMAND

RADM George Wagner
COMMANDER, SPACE AND NAVAL WARFARE SYSTEMS COMMAND

RADM Robert Moore
COMMANDER, NAVAL SUPPLY SYSTEMS COMMAND

RADM David Nash
COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

RADM Marc Pelaez
CHIEF OF NAVAL RESEARCH

Mr. Daniel P. Czelusniak
PROGRAM EXECUTIVE OFFICER AIR ASW, ASSAULT AND SPECIAL MISSION PROGRAMS

RADM Paul M. Robinson
PROGRAM EXECUTIVE OFFICER CARRIERS, LITTORAL WARFARE, AND AUXILIARY SHIPS

RADM Barton D. Strong
PROGRAM EXECUTIVE OFFICER CRUISE MISSILES PROJECT AND UAV JOINT PROJECT

RADM Craig Steidle
PROGRAM EXECUTIVE OFFICER JOINT ADVANCED STRIKE TECHNOLOGY

RADM Richard D. Williams, III
PROGRAM EXECUTIVE OFFICER MINE WARFARE

Mr. John DeSalme
PROGRAM EXECUTIVE OFFICER SPACE, COMMUNICATIONS AND SENSORS

RADM Bob Frick
PROGRAM EXECUTIVE OFFICER SUBMARINES

RADM George Huchting
PROGRAM EXECUTIVE OFFICER SURFACE COMBATANTS/AEGIS

RADM Jeffrey A. Cook
PROGRAM EXECUTIVE OFFICER TACTICAL AIRCRAFT PROGRAMS

RADM Tim Hood
PROGRAM EXECUTIVE OFFICER THEATER AIR DEFENSE

Mr. Tim Douglass
PROGRAM EXECUTIVE OFFICER UNDERSEA WARFARE

COL Jim Feigley
DIRECT REPORTING PROGRAM MANAGER ADVANCED AMPHIBIOUS ASSAULT

RADM Pete Nanos
DIRECT REPORTING PROGRAM MANAGER STRATEGIC SYSTEMS PROGRAMS

Contents

Mission

The Naval Research, Development and Acquisition TEAM, in partnership with Industry, serves the Nation by developing, acquiring, and supporting technologically superior and affordable systems for Navy, Marine Corps, Joint and Allied Forces. Our products allow the operating forces, in support of the Unified Commanders, to train, to deter conflict and, if required, to fight and win.

Vision

The Naval Research, Development and Acquisition TEAM is the world's best acquisition and life-cycle support organization. We are dedicated to innovation and excellence through teamwork and trust — developing, acquiring and supporting systems for the finest Navy and Marine Corps in the world.

We are the technical leaders who deliver solutions and technical opportunities to define cost-effective warfighting options for the future.

We are flexible and adaptive, committed to and actively engaged in transforming ourselves and the products we provide to meet the challenges of an affordable Navy and Marine Corps of the future.

We have the confidence of the American people by being responsible and credible stewards of resources and protectors of the environment.

Guiding Principles

Preserve the public trust through personal integrity, ethical performance and cost consciousness.

Dedicate ourselves to technical and acquisition excellence and innovation.

Listen to and be accountable to our customers. Meet their needs, keep our promises and stand by the quality of our goods and services.

Team with warfighters, other customers, industry and each other on a basis of trust.

Empower people to take initiative, with authority and responsibility assigned to the lowest appropriate level.

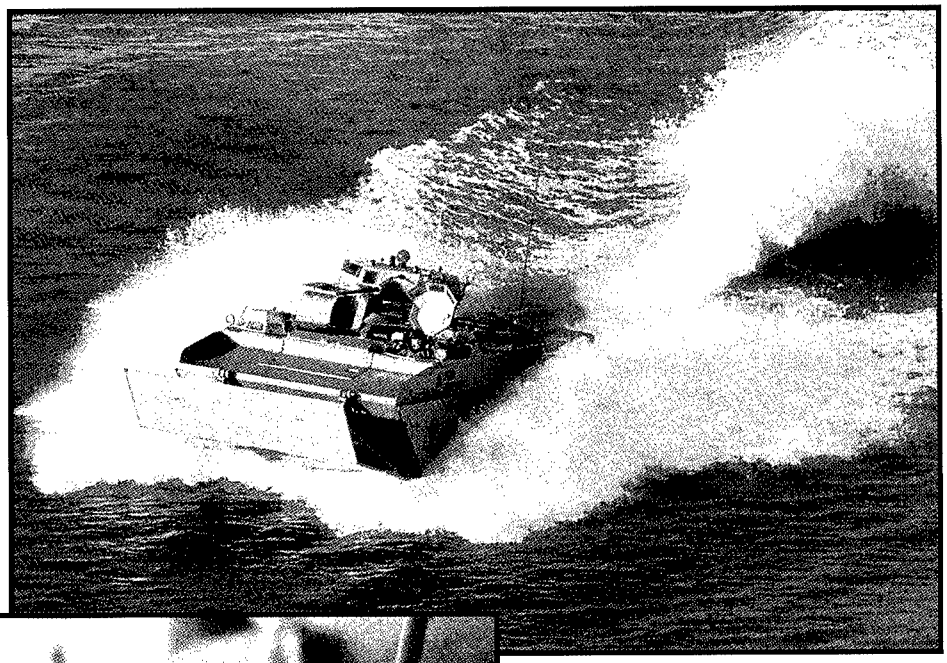
Value and respect each other, pursue personal development and recognize accomplishments.

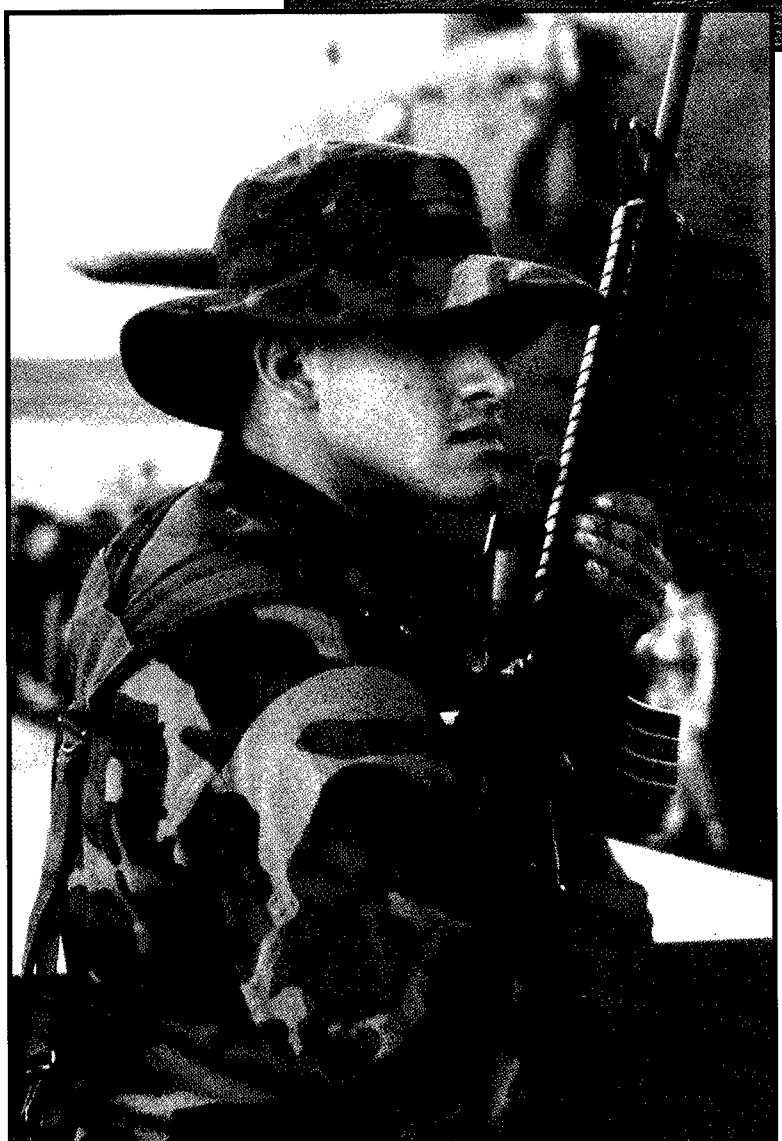
Value the strength diversity brings to our workforce and ensure an equal opportunity environment.

Communicate openly, clearly, promptly and honestly.

Operate with modern tools and state-of-the-art information technology systems. We continuously improve processes.

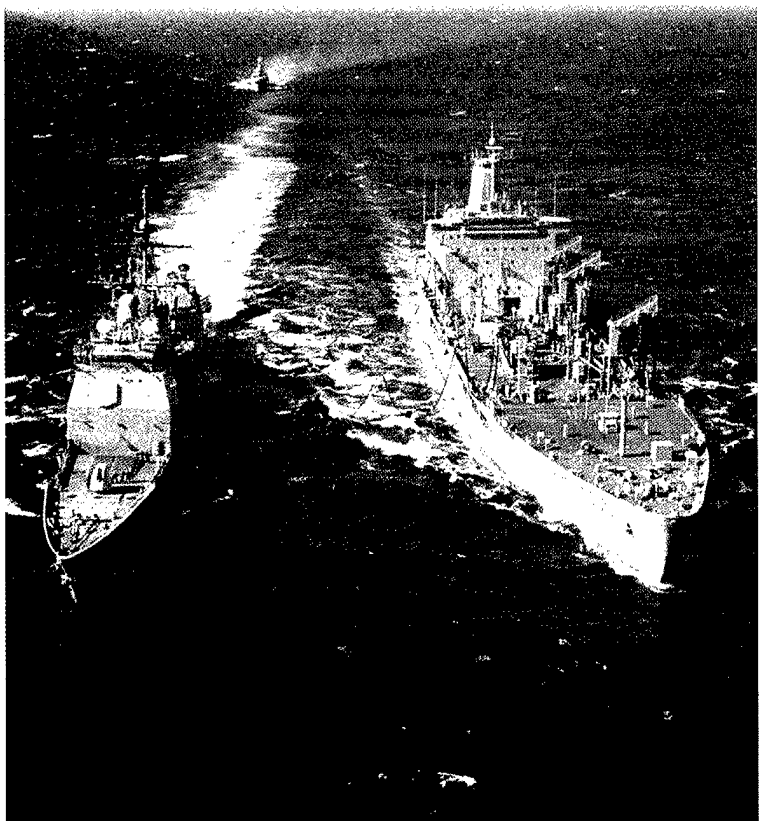
Advanced Amphibious Assault Vehicle (AAAV): Currently in the demonstration/ validation phase of the acquisition process.





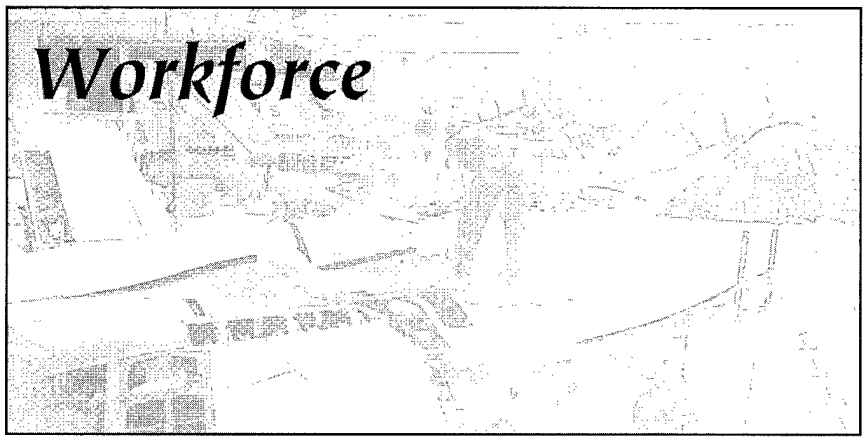
Special Operations Forces prepare to embark aboard a fast attack submarine.

Strategic Goals



A cruiser takes on fuel from a Sealift Command Replenishment Oiler while underway in the Mediterranean.

- *Workforce*
- *Customer/Stakeholder Credibility*
- *Organizational Management*
- *Business Practices*
- *Total Ownership Cost*
- *Innovation/Technology Insertion*
- *Communication*



LEADER:
Mr. B. Hauenstein
Director, Acquisition Career Management

STRATEGIC GOAL:

Develop and maintain a capable workforce for the future

STRATEGIES

- Ensure diversification — baseline and recruit.
- Enhance quality — recruit, train and educate.
- Improve Quality of Life for the acquisition workforce.
- Understand the composition and capabilities of the workforce.

Team Members

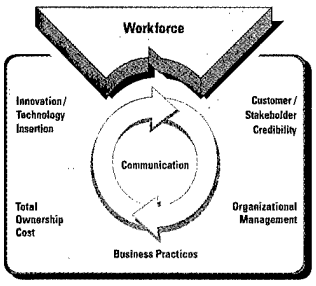
Mr. B. Hauenstein	*Team Leader*
*Mr. P. Schneider**	*Executive Director, Naval Sea Systems Command*
Dr. T. Coffey	*Naval Research Laboratory*
Mr. R. Duddleston	*Executive Director, Naval Supply Systems Command*
Mr. L. Kreitzer	*Executive Director, Marine Corps Systems Command*
Dr. G. Moy	*Navy Facilities Engineering Command*
Mr. D. Porter	*Office of the Assistant Secretary of the Navy (RD&A)*
Dr. F. Saalfeld	*Deputy Chief of Naval Research*
Dr. A. Somoroff	*Deputy Commander, Naval Air Systems Command*
Dr. D. Uhler	*Deputy Commander, Space and Naval Warfare Systems Command*

**Deputy Team Leader*

Background

In the midst of downsizing, rightsizing, Base Realignment and Closure (BRAC) geographical and functional reorganizations and a host of Acquisition Reform initiatives that force dramatic changes in workload, we must ensure that we have developed the right kind of workforce, one with the skills, education and training to meet the challenges of the future. It must also demographically reflect the recruitable population.

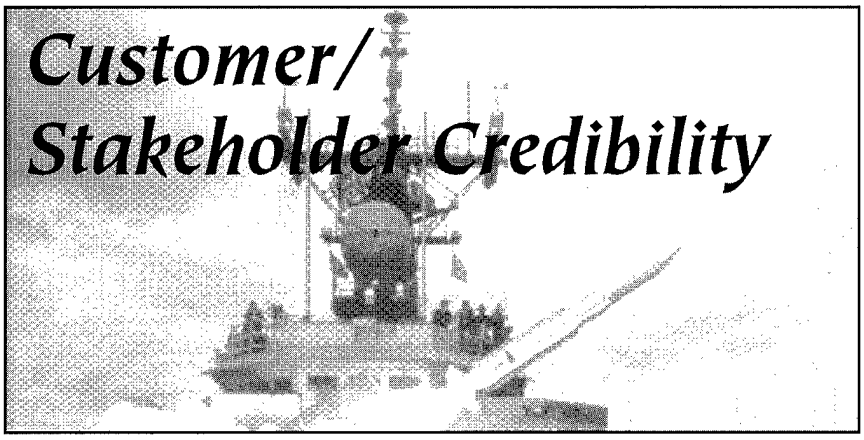
Desired Outcome



Over the next few years, the number of employees within the Department of the Navy's major acquisition organizations will continue to decline and finally stabilize. Ambitious quality improvements in the career management of these employees will be aggressively pursued. Training will be relevant, timely and efficient to justify time away from growing workloads and will include engineering technologies and business practices. Our workforce skills and development will be matched to our requirements. Reform initiatives will be swiftly incorporated into existing acquisition training, and the message will reach the entire workforce. As an important quality-of-life initiative, we will enhance recognition and rewards for acquisition professionals and teams. We will seek to remove any artificial impediments that hamper efforts to meet recruiting and retention goals, such as restrictions on direct hire of engineers. Important resource issues must be considered. We will expand the acquisition intern and tuition assistance programs. We will find a solution to the problem faced by the those activities under Defense Business Operating Fund (DBOF) that must place employees on their overhead accounts when they attend training. Finally, we will make a determination about the viability of including Requirements Officers in the acquisition workforce.

Concept of Operations

- Set goals for improvements in certification achievement of the acquisition workforce.
- Determine and disseminate the best practices used in the Navy's acquisition organizations to enhance the quality of life for the acquisition workforce.
- Recommend enhancements to the Navy Acquisition Functional Board structure including, where appropriate, changes in membership, roles and responsibilities, and administrative support of boards. Ensure that Navy requirements are addressed by the Defense Acquisition University.
- Identify a more effective means of recruiting engineers, such as Navywide direct hire authority. Additional personnel-oriented topics for exploration include: (a) enhancing incentives for retirement and (b) implementation of Section 4308 of the FY1996 Department of Defense Authorization Act, which refers to the establishment of a demonstration project for personnel management of the acquisition workforce.
- Solve training and education participation problems for DBOF activities.
- Explore a variety of quality, career management and Acquisition Reform issues, such as: (a) the adequacy of intern, tuition assistance, scholarship and upward mobility programs to improve acquisition workforce education goals; (b) requirements for career development programs that include industry cross-training and would extend beyond the borders of any one SYSCOM; (c) methods to encourage risk taking; and (d) programs to reward individuals and teams for high performance and cost efficiencies.
- Conduct a diversity baseline study. Recommend improvements where warranted. Diversity will be defined in a broad way to include such things as occupations and skills so that we have a better understanding of the composition of the workforce.
- Redress inconsistencies in the identification of billets under the Defense Acquisition Workforce Improvement Act, such as inclusion of OPNAV Requirements Officers.
- Work with the National Center for Advanced Technologies (NCAT) to develop Integrated Product and Process Development education and training for program management teams and leverage Integrated Program Team (IPT) training to implement Navy-wide Integrated Program Team (IPT) deployment.



LEADER:
VADM W. C. BOWES
Principal Deputy, Assistant Secretary of the Navy for Research, Development and Acquisition

STRATEGIC GOAL:

Earn our customers' and stakeholders' respect and trust

STRATEGIES

- Take actions that will have the RD&A organization working in teams with our customers and our stakeholders.
- Take actions to better understand the needs of our customers and stakeholders.
- Communicate openly and frequently in order to achieve better understanding of what we do and how we are doing it.

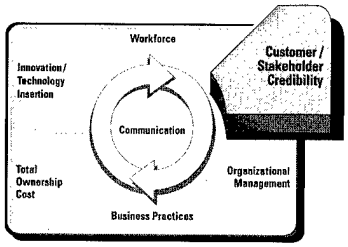
Team Members

VADM W. C. Bowes	*Team Leader*
*RADM P. Robinson**	*Program Executive Officer, Carriers, Littoral Warfare and Auxiliaries*
COL G. Dockendorff	*Marine Corps Systems Command*
Mr. D. Merritt	*Space and Naval Warfare Systems Command*
RADM L. Newsome	*Commander, Naval Air Warfare Center Aircraft Divsion*
CAPT R. Scott	*Office of Naval Research*
CAPT D. Stone	*Naval Supply Systems Command*

**Deputy Team Leader*

Background

Over the past several years there has been an ever-increasing separation between the Navy's acquisition community and the warfighters. Instituted policies made it increasingly difficult for officers to have successful careers that included alternating tours in the operational forces and in acquisition assignments. Next, directives gave sole responsibility for acquisition to the Office of the Secretary of the Navy. The implementation of these directives established PEOs, DRPMs, and SYSCOM Commanders who worked solely for the ASN(RD&A) for acquisition. The result was a



separation between OPNAV and those reporting to the ASN(RD&A). Because fewer and fewer officers assigned to OPNAV ever had a tour in acquisition, the understanding within OPNAV of the roles and functions of the SYSCOMs and the acquisition organizations has declined. With lack of understanding comes lack of trust, and this has adversely impacted the relations between OPNAV and the acquisition community.

The fixed-price R&D environment and the antagonist attitudes toward Industry that existed in the 1980s have left a scar on the relationship between the Department of the Navy and Industry. We have been making improvement here, but we still have a long way to go in achieving true teamwork and trust with Industry.

Desired Outcome

Our TEAM will continue to be recognized for excellence in providing high-quality weapon systems, on time and on cost. Our acquisition processes must ensure that all systems and modifications fully meet or exceed the expectations of our customers. We will work closely with OPNAV and HQMC in creating programs that meet their needs, and work closely with our program sponsors and the Navy's Comptroller in building stable budgets for our programs and in making budget adjustments when required. We will work as a team with Industry, creating an open, trusting environment where we understand Industry's needs and they understand ours.

We will continue to improve the efficiency of our processes and reduce the cycle time for delivering all of our products. We will encourage greater understanding by customers and stakeholders of our capabilities. We will maintain the confidence of the Congress and their professional staffs by continuing our responsiveness, candor and outstanding performance.

Concept of Operations

- Develop metrics and conduct surveys of our customers (both national and international) and stakeholders to understand their satisfaction with our performance.
- Conduct periodic forums with Industry in order to better understand areas where we need to improve and to assess the effectiveness of our Acquisition Reform initiatives.
- Compile metrics on our acquisition performance in order to measure progress and to focus our improvement efforts more effectively.
- Develop formal training programs will be established and conducted for acquisition personnel on the Planning, Programming and Budgeting System (PPBS) process and the Navy requirements determination and budget development processes. In addition formal training classes will be established and conducted for OPNAV and HQMC personnel to familiarize them with the acquisition process and challenges of our business.
- Develop a communication plan in order to inform OPNAV, HQMC, the Fleet and our stakeholders of our progress and to share our successes with them.
- Develop partnerships with OPNAV and HQMC in every phase of the acquisition process in order to build confidence and trust in each other's abilities, and in order to achieve a much improved understanding of each other's roles and responsibilities.

Organizational Management

LEADER:
VADM W. C. BOWES
Principal Deputy, Assistant Secretary of the Navy for Research, Development and Acquisition

STRATEGIC GOAL:

To create an adaptable, responsive and affordable organization

STRATEGIES

- Develop and execute a plan that results in efficient and effective performance with the geographic dispersal of our Systems Commands.
- Initiate efforts that will result in eliminating unneeded infrastructure and reduced costs of doing business.
- Base our actions upon a philosophy of decentralized decision authority and the extensive use of IPTs.

Team Members

VADM W. C. Bowes	*Team Leader*
*Dr. M. Langston**	*Deputy Assistant Secretary of the Navy (RD&A)*
VADM W. Earner	*Deputy Chief of Naval Operations (Logistics)*
VADM J. Lockard	*Commander, Naval Air Systems Command*
RADM R. Moore	*Commander, Naval Supply Systems Command*
MGEN C. Mutter	*Commander, Marine Corps Systems Command*
VADM G. Sterner	*Commander, Naval Sea Systems Command*
RADM G. Wagner	*Commander, Space and Naval Warfare Systems Command*

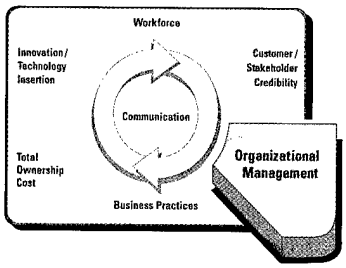
**Deputy Team Leader*

Background

BRAC decisions have NAVAIR, SPAWAR, and NAVSUP Headquarters moving from Washington, D.C., to Patuxent River, MD, San Diego, CA, and Mechanicsburg, PA, respectively. Not having all

SYSCOMs located in Washington, D.C., we must modify our operating processes to maintain good communications.

Although BRAC closures will eliminate significant excess capability in the acquisition infrastructure, many opportunities remain to further reduce duplicate capabilities and reduce our costs of doing business.



Desired Outcome

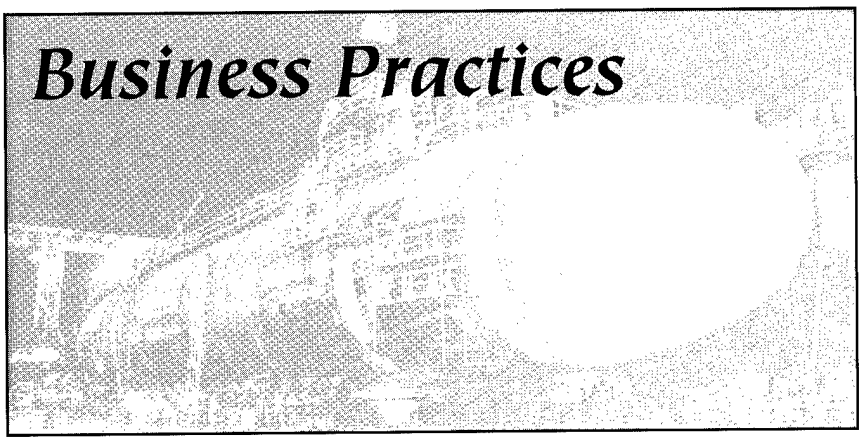
We will continue to be recognized as a highly efficient and effective organization, and maintain a thorough understanding of our capabilities and the talents of our people. Our sites will become highly interoperable with the appropriate level of required capabilities, and the use of IPTs with members at various sites will become our standard mode of operation. Geographic dispersion will be overcome by the extensive use of telecommunications.

The Navy will realize significant savings in addition to those from BRAC, which will be used for needed recapitalization of our forces. We will do only what the Navy needs to do and rely more on the private sector for the rest.

Concept of Operations

- Complete the studies looking at SYSCOM realignments and compile the data for future use.
- Employ Process Action Teams to analyze potential areas to eliminate duplicate capabilities and to reduce our costs of doing business.
- Periodically brief the Navy's Integrated Resources, Requirements Review Board (IR^3B) on potential organizational realignments and changes to ensure OPNAV and Headquarters Marine Corps (HQMC) support the changes we shall make.
- Establish NAVSEA as the "in-town coordinating SYSCOM" and establish the necessary "in-town presence" for those SYSCOMs located outside Washington, D.C.
- Fully support studies and analysis to find opportunities for "joint" cooperation which would enable DOD to eliminate unnecessary duplicate capabilities while preserving the ability of each of the services to develop, acquire and support their service-unique systems.
- Explore opportunities for Industry and other nations to utilize our Research, Development, Test and Evaluation (RDT&E) facilities in order to spread our overhead costs over a larger customer base.
- Set up an outsourcing Center of Excellence to develop and share the best practices for outsourcing.

Business Practices



LEADER:
RADM M. Sullivan
Deputy, Acquisition and Business Management, Office of the Assistant Secretary of the Navy for Research, Development and Acquisition

STRATEGIC GOAL:

Adopt business practices that maximize economy, efficiency and accountability

STRATEGIES

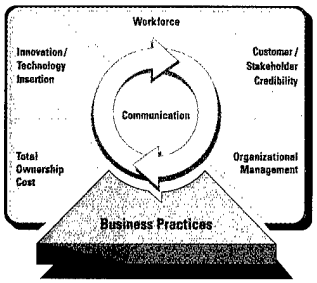
- Use commercial practices where they make sense.
- Use state-of-the-art tools and breakthrough contracting strategies to promote affordability, technology insertions and reduced cycle time.
- Partner with the Navy Comptroller to eliminate problem disbursements and better coordinate budget and acquisition issues.

Team Members

RADM M. Sullivan	*Team Leader*
*Mr. D. Porter**	*Acquisition Reform Office, OASN (RD&A)*
Mr. R. Bayard	*Direct Reporting Program Manager, Advanced Amphibious Assault*
CAPT D. Covert	*Program Executive Officer, Surface Combatants/AEGIS*
Mr. K. Gormley	*Navy Comptroller's Office*
Ms. S. Lamade	*Space and Naval Warfare Systems Command*
Mr. B. Plunkett	*Assistant General Counsel, OASN (RD&A)*
Mr. B. Storey	*Naval Sea Systems Command*
Mr. W. Stussie	*Program Executive Officer, Tactical Aircraft Programs*
Ms. B. Veit	*Navy Comptroller's Office*

**Deputy Team Leader*

Background



The thousands of people who make up the TEAM perform work with a single objective — to support our operators by providing them the materiel and services they need to be the world's best fighting force. To this end, the business practices employed by our acquisition workforce must focus first on our customers — our Sailors and Marines — yet never lose sight of the basic responsibility to promote stewardship of the public trust. To accomplish this, the business practices we use must be flexible and change as circumstances dictate. They must reflect, in policy and in operation, a commitment to empowering people to manage prudent risk and to custom-tailor business strategies to individual program needs. While these practices must yield effective, economical, and efficient results, they must also enable us to be held to the highest standard of accountability by our stakeholders, while never losing sight of the overriding need to produce what the Fleet needs when it needs it.

Desired Outcome

We will continue to be an organization that encompasses a zeal to learn and a bias to act. This means much more than simply taking action on individual reform initiatives derived from customer and industry feedback. While individual actions are important and must be completed, if for no other reason than to clearly communicate our determination to change, more importantly, we will become an organization that develops learning and action attributes. We will instill within our workforce the fundamental tenets of individual responsibility: a common purpose — to provide our Naval forces with the right equipment at the right price at the right time — and a personal commitment to that common purpose. Our commitment to learn, as a desired outcome, will position us to improve our business practices continuously. Our bias to act, as a desired outcome, will enable us to fulfill our common purpose.

Concept of Operations

- Continually adopt business practices that maximize effectiveness, economy, efficiency and accountability. This, by its very nature, will always be a work in progress.
- Gain significant returns quickly by focusing our actions in the key functional areas of past performance, funding and accounting, program management and contracting.
- Engage Industry appropriately in our decision-making processes and provide continuous feedback to all our customers and stakeholders in appropriate forums. Sharing solutions across the RD&A TEAM will be a constant goal.
- Identify business strategies to accrue maximum economies from both international and U.S. national acquisition programs.

Total Ownership Cost

LEADER:
RADM W. Tinston
Assistant Commander
Naval Air Systems
Command (Logistics)

STRATEGIC GOAL:

Understand and manage total ownership costs over the entire life cycle to produce savings for recapitalization and modernization

STRATEGY

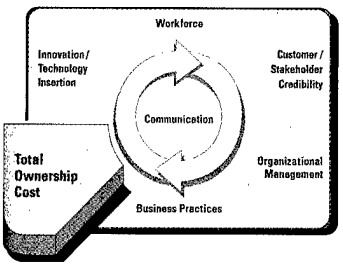
- Develop processes, toolsets, and models to support OPNAV force level decisions and the affordability decisions made by Program Managers and Industry from system concept through disposal.

Team Members

RADM W. Tinston	*Team Leader*
*Mr. M. Hammes**	*Deputy Assistant Secretary of the Navy (RD&A)*
COL R. Bates	*Marine Corps Systems Command*
RADM J. Cook	*Program Executive Officer, Tactical Aircraft Programs*
CAPT P. Henning	*Office of Chief of Naval Operations (N8)*
RADM G. Huchting	*Program Executive Officer, Surface Combatants/AEGIS*
Mr. E. Hutmire	*Space and Naval Warfare Systems Command*
Mr. D. Porter	*Acquisition Reform Office, OASN (RD&A)*
Mr. G. Porter	*Center for Naval Analysis*
RADM B. McGann	*Office of Chief of Naval Operations (N12)*
CAPT D. Stone	*Naval Supply Systems Command*
RADM J. Taylor	*Office of Chief of Naval Operations (N43)*

**Deputy Team Leader*

Background



As budgets and available resources continue to decline, it is apparent that reductions in life cycle cost, specifically total ownership cost, represent means of generating needed resources for critical modernization and recapitalization of the Navy. It is essential to establish a strategic goal that focuses the efforts of the ASN(RD&A) community on understanding ownership costs for acquisition and existing systems. Equally important is the development and application of cost reduction strategies to draw Industry and Government agencies into Navy efforts.

Desired Outcome

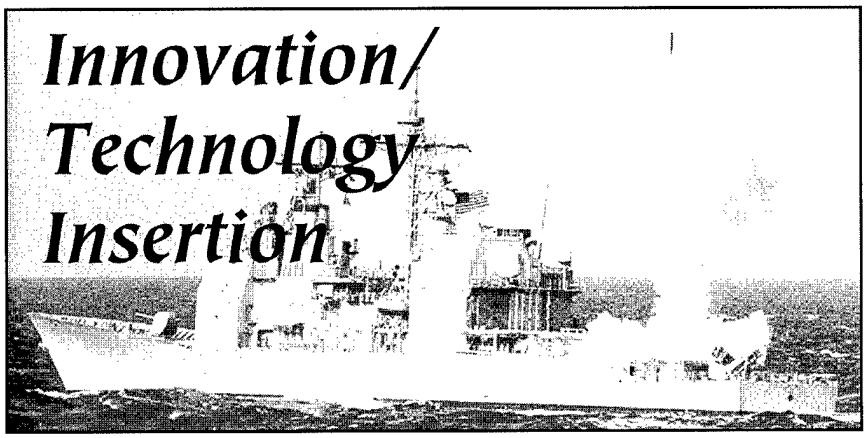
Strategic planning conferences have addressed understanding the cost of ownership. Building on previous efforts, the desired outcomes have been grouped into the following objective areas. **Models and databases** will provide tools and processes for key decision-makers to understand life cycle costs and make cost-of-ownership-based decisions. Key decision-makers will be from both program teams and senior Navy leadership. **Reduction strategies** will identify and deliver tools, data and processes to program teams to ensure that cost is considered as an independent variable throughout the acquisition process. They will ensure that cost of ownership is considered a key performance metric of system operation and investment decisions will be made on the basis of total cost of ownership. Finally, **rightsourcing** will foster innovative alternatives to organic life cycle support, and develop tools and processes focusing on total ownership cost to implement rightsourcing decisions.

Concept of Operations

The efforts necessary to achieve the stated goals and objectives will be administered by a Goal Management Board and a Process Action Team for each objective area. These teams will be in place and operational within the second quarter of FY1996. Specific actions to accomplish these objectives will include:

- Reengineer the Visibility and Management of Operating and Support Cost (VAMOSC) system to provide the total cost information.
- Expand the use of applicable innovative practices that reduce cycle time, reduce cost, and encourage teamwork across current acquisition programs.
- Identify, develop and deliver a cost model/process using cost as an independent variable for at least one ship and aviation application.
- Explore the use of activity-based costing methods as a means of managing cost on a specific application/program.
- Identify specific performance metrics describing the relation of cost-of-ownership with other parameters such as mission performance, safety and availability/readiness.
- Develop processes with the Navy Comptroller staff and resource sponsors to incentivize programs to make investments that reduce total costs.
- Form innovative partnerships with Industry to use total ownership costs as a forcing function to conduct effective design of life cycle cost programs.
- Expand the use of the Logistics Engineering Change Proposal (LECP) as a means of supporting cost-of-ownership improvement investments.
- Identify at least one specific application of nonorganic support within each of the ship and aviation communities.
- Identify, develop and deliver a cost modeling/process that can compare the savings from international programs to the same program conducted on a national basis.
- Provide incentives for Industry to identify life cycle cost approaches and find innovative ways to incorporate them into our systems.

Innovation/ Technology Insertion



LEADER:
RADM M. Pelaez
Chief of Naval Research

STRATEGIC GOAL:

Institutionalize innovation and technology insertion in all phases of acquisition process/reform

STRATEGIES

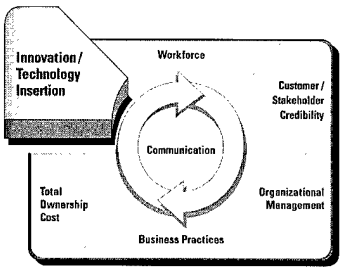
- Identify and capture technology insertion opportunities for all major product lines throughout their life cycle.
- Expedite innovation/technology required to support acquisition reform.
- Provide incentives to industry for technology insertion.
- Identify in-house means to facilitate and reward innovation.
- Effectively couple world-class manufacturing technology to Navy acquisition programs.
- Share successes and lessons learned across the acquisition workforce.

Team Members

RADM M. Pelaez	*Team Leader*
*Dr. A. Somoroff**	*Deputy Commander, Naval Air Systems Command*
Mr. L. Kreitzer	*Executive Director, Marine Corps Systems Command*
Mr. D. Porter	*Acquisition Reform Office, OASN (RD&A)*
Mr. P. Schneider	*Executive Director, Naval Sea Systems Command*
Dr. D. Uhler	*Deputy Commander, Space and Naval Warfare Systems Command*

**Deputy Team Leader*

Background



For innovation and technology to serve the Fleet, we must find new ways to apply today's science and technology to solve current and future technological challenges affordably. Members of Industry and the acquisition community must have incentives to apply technology and innovation. They must be rewarded for success and not penalized for failure. Opportunities for insertion of technology and innovation must be pursued at all stages of a weapons system life cycle.

Desired Outcome

The desired outcome of this effort will be the institutionalization of innovation and technology insertion in all phases of the acquisition process. Mechanisms will be in place for rapid transition of science and technology advances from all sources, including Industry, into the Navy acquisition chain. Partnerships among academia, Industry, Navy and other Government labs will be the norm. These partnerships will create a cohesive S&T program, integrated across funding categories and performers, which will be postured for rapidly inserting and transitioning all needed technology for acquisition. Key technologies available from our allies will be prioritized and a means for their acquisition or transfer will be identified. Partnering and integration will be enhanced by increased use of Integrated Product Teams and Integrated Program/Product Development. The Manufacturing Technology Program will be coupled closely to acquisition needs and emerging technology opportunities.

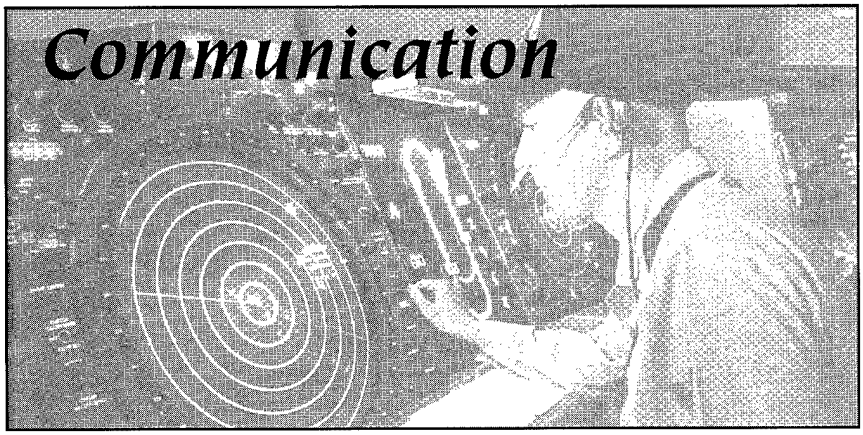
Automated procurement systems will be in place and will reduce the time and cost to field complex systems. Modeling and simulation technology will be routinely used in the scientific, engineering, logistics and business domains to quickly and inexpensively evaluate the impact of advanced technologies on the performance and affordability of future systems.

To achieve this desired state in the acquisition process, a cultural change will have occurred, facilitated by an operational Acquisition Center of Excellence. Acquisition teams will embrace methods of integrated science and technology, partnering, and modeling and simulation to improve the Navy's acquisition process — ultimately reducing the life cycle cost of weapons systems. The Center of Excellence will be the Navy's test bed to evaluate and apply the latest information technology and analytical tools to solve real acquisition problems in a corporate learning environment.

Concept of Operations

To achieve the desired outcome this year, we will initiate many actions. Subsequent years will build on this foundation and initialize additional efforts. This year's actions will consist of the following:

- Create a central library of plans for all major product lines including upgrades.
- Establish a Process Action Team (PAT) to explore mechanisms to engage stakeholders and provide incentives for technology insertion.
- Identify windows of opportunity for important unplanned innovations.
- Publish a catalog of existing Integrated Product Teams addressing technology insertion.
- Establish a Mantech Executive Advisory Board to redefine the project identification and selection process and publish a quarterly notice to SYSCOM Commanders, Program Executive Officers and Direct Reporting Program Managers listing available technology products for potential insertion into their programs.
- Establish an Acquisition Center of Excellence.



LEADER:
Dr. M. Langston
Deputy Assistant Secretary of the Navy C⁴I/EW/Space Programs

STRATEGIC GOAL:

Improve communications across our customers, Industry and Department of the Navy acquisition communities

STRATEGY

- **Develop and execute a communications plan that provides organizational, business and career information across all Naval Research, Development and Acquisition boundaries through the use of state-of-the-art, off-the-shelf information technologies.**

Team Members

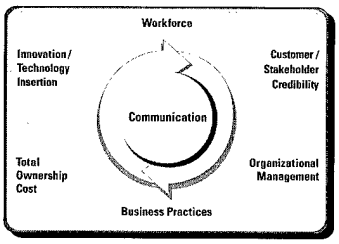
Dr. M. Langston	*Team Leader*
*RADM G. Wagner**	*Commander, Space and Naval Warfare Systems Command*
COL J. Bouldry	*Headquarters Marine Corps*
Ms. K. Cewe	*Office of the Assistant Secretary of the Navy (RD&A)*
RADM J. Davidson	*Commander, Navy Information Systems Management Center*
Mr. K. Miller	*Naval Air Systems Command*
Mr. P. Schneider	*Executive Director, Naval Sea Systems Command*
Mr. R. Turner	*Office of the Assistant Secretary of the Navy (RD&A)*

**Deputy Team Leader*

Background

The Naval Research, Development and Acquisition (RD&A) infrastructure is a combination of the Government and Industry people, technological knowledge and facilities used to design, develop, manufacture and maintain the Navy and Marine Corps weapons and support equipment needed by our customers.

As an outcome of Defense downsizing, Base Realignment and Closure (BRAC), and the continued



focuses across the Navy to drive down the cost of doing business to reduce total ownership costs of our products, we must develop an effective and efficient RD&A community, dispersed throughout the country. This must be done to achieve a better understanding of our challenges, measure our progress, publish our successes, and continue with our business process improvements and life cycle cost reductions.

The goal of executing an overarching communications plan across the military and civilian RD&A organizations and to our customers in the Fleet will require the most appropriate and cost-effective use of both commercial and Government technologies. This will be even more critical as major elements of the Systems Commands become geographically dispersed. Continuing to satisfy customer requirements with fewer organizational resources will mean that we must leverage state-of-the-art, Commercial Off-the-Shelf (COTS) information systems and business processes.

Desired Outcome

RD&A will have a unified local area network connecting the Secretariat, the Chief of Naval Operations, and Headquarters Marine Corps offices to allow the seamless electronic transmission of business and operational data. We will have integrated seven major wide area networks, thus expanding our electronic communications to the operational forces ashore, Systems Commands, depot repair facilities and warfare centers. Through our industry acquisition conferences and effective use of the Internet, we will expand direct communications with all of our Industry counterparts. All forms of communications (strategic business meetings, voice, data, video, multimedia, etc.) will be enhanced to continue to shape our future organizational management issues and improve credibility with our customers and stakeholders.

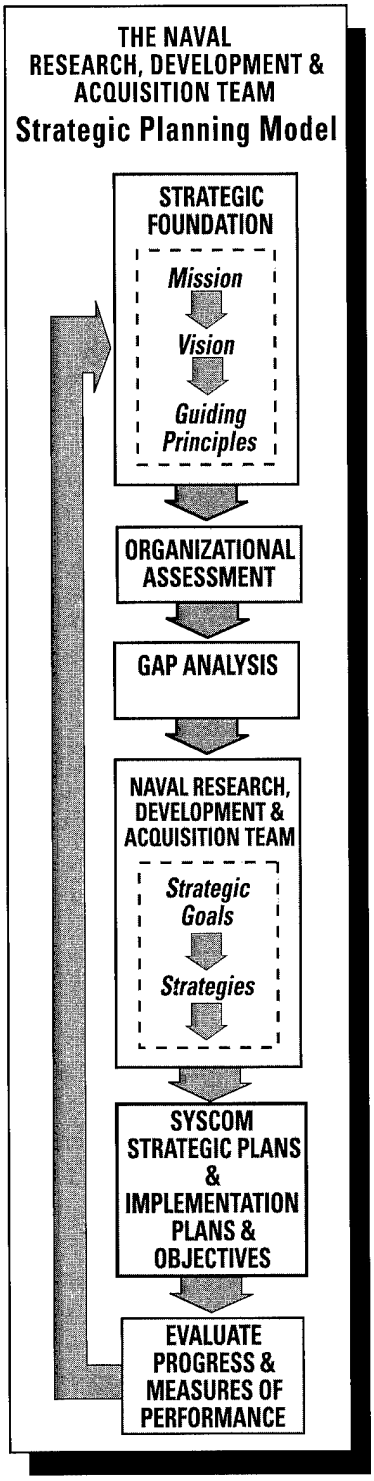
Concept of Operations

In keeping with the Navy's stated goals of Copernicus . . . Forward, actions will be taken within RD&A to make extensive use of COTS solutions in our information technology investments to improve communications that support cross-functional processes of business, career and organization. We will jointly begin to select and deploy best-of-breed processes, systems and technologies that will permit the widest possible communications and dissemination of data to and from our Fleet customers and Industry. To implement this approach, we will:

- Define our communications audiences and their needs.
- Expand our open and continuing dialog with industry CEOs and business executives.
- Create seamless enterprise communications (voice, data video, etc.) across the RD&A.
- Align and modify RD&A business processes while leveraging state-of-the-art, Industry -based, COTS business systems.
- Provide common capabilities that support an enterprise approach to business systems architecture.
- Conduct annual conferences with business leaders to improve processes and products.

The TEAM's Strategic Planning Process

Strategic Planning is the management process we are using to accomplish the ASN(RD&A) TEAM's Strategic Goals and make its vision a reality. The process begins with a **Mission** statement that provides a clear expression of the TEAM's purpose. From the **Mission** statement comes a **Vision** that paints a mental picture of what the TEAM will look like in the future. Next we establish a set of **Guiding Principles**, or values, that reflect appropriate standards by which we will conduct business. With our **Mission**, **Vision** and **Guiding Principles** thoroughly understood, we will be better able to conduct a thorough **Organizational Assessment** by comparing our existing organization to the organization of our vision. We will then, as part of a **Gap Analysis**, be able to assess *how far we have to go, and what we need to do* to close the distance that separates our vision of tomorrow from the reality of today.



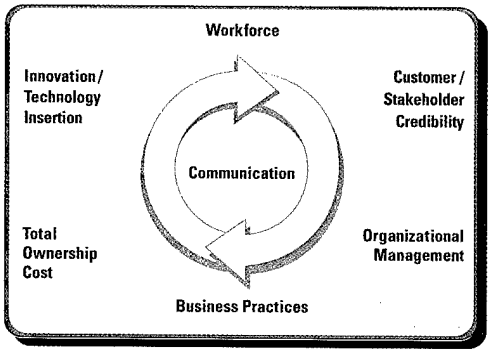
The TEAM Strategic Plan identifies its **Strategic Goals** and **Strategies**. Strategic Goals are long-range desired outcomes that will guide our efforts toward creating the kind of organization we want to become. The **Strategies** are the means we will use to accomplish the **Strategic Goals**.

After the Strategic Plan is published and distributed throughout the TEAM, SYSCOM Commanders will use the Plan as guidance in formulating their own organization's Strategic Plans. In addition, each Strategic Goal Leader will publish an **Implementation Plan.** These plans will form a supporting network to ensure accomplishment of detailed **Objectives**. The **Objectives** are specific short-to-midterm measurable actions, such as those identified as part of the Acquisition Reform initiative and those objectives identified during ASN(RD&A) Strategic Planning Conferences. The implementation plans also serve as effective management tools to deploy the Strategic Plan.

The final part of the planning process is to **Evaluate Progress** and **Measure Performance**. Each strategy will be reviewed in turn by ASN(RD&A)'s Navy Acquisition Reform Senior Oversight Council (NARSOC) and at weekly staff meetings so that each strategy is reviewed about every 2 months. **Measures of Performance** provide a means of assigning specific responsibility and timeframes for accomplishing the objectives in the **Implementation Plans**.

Tying it All Together

The Strategic Goals described in this Plan together with ongoing Acquisition Reform initiatives represent the areas that must shape and guide our actions if we are to fulfill our mission and create the organization in our vision. Our seven Strategic Goals and Acquisition Reform fit together to form a "**total system**" each equally supportive of and dependent upon the other.



Innovation/Technology Insertion will bring to the TEAM the fullest benefits of technology's advances. The **Workforce** Strategic Goal will deploy every method available to ensure that the TEAM derives all possible potential from our greatest and most vital resource, people. **Business Practices, Total Ownership Cost** and **Organizational Management** will lead to more affordable products and services.

Any organization, whether public or private, will be successful based on how thoroughly and appropriately it adjusts to the rapidly changing environment of an increasingly competitive and cost-conscious world. **Customer/ Stakeholder Credibility** is the ultimate measure of our success as an organization dedicated to providing value to its customers. Last **Communication** will create linkages necessary to exchange information and knowledge seamlessly across organizational and geographical boundaries.

We are transitioning to a smaller and more efficient organization with fewer resources at our disposal. The extent of our customers' satisfaction and trust, and the extent of our stakeholders' belief in us as a dependable organization, will be the most important measures of success of the Naval Research, Development and Acquisition TEAM.